

April 10, 2007  
File No. 59087.05

Mr. Blake Smith  
Virginia Highlands, LLC  
7690 Town Square Way  
Reno, NV 89523

**RECEIVED**

**APR 13 2007**

**STOREY COUNTY  
PLANNING**

**SUBJECT: Former TRW Site  
Storey County, Nevada**

Dear Mr. Smith:

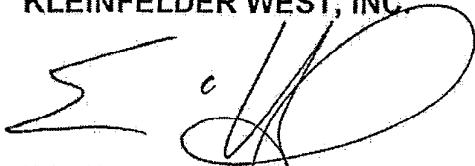
As you are aware, we have completed various Phase 1 and Phase 2 environmental investigations for the 8,600 acres of land known as the former TRW site, or what is now known as Cordevista, for Virginia Highlands, LLC. In the course of our work, we have reviewed numerous documents prepared by TRW, the former owner, the Nevada Department of Environmental Protection and others, and have interviewed numerous people familiar with the site. In addition, we have worked closely with the former owner of the site, on your behalf, to identify any and all potential environmental impairments to the site.

The only area with soil contamination identified is a small, 0.18 acre, confined area consisting of a circular gravel pad that was used to test automobile air bag propellant. The pad is double lined to prevent any leaching of propellant material into the ground. Our firm is currently in the process of finishing the remediation of this site, and we expect remediation to be complete by the end of summer 2007. It is our opinion that the entire 8,600 acre site is suitable for mixed use (residential and commercial) development; the above-referenced 0.18 acre site will be similarly suitable upon completion of remediation.

Based on work completed by us and others, we are not aware of any environmental impairment on the site, other than that outlined above.

Sincerely,

**KLEINFELDER WEST, INC.**



Eric Hubbard, CEG, CHG, CEM  
Geoscience Manager



Josh Fortmann, PG, CEM  
Project Geologist